

PALs REVISITED

NSR Retooling Advisory Group

October 15, 2003

Industry concerns about PALs in general

- ☛ “Once in, always in” -- need to be able to terminate PAL in a reasonable manner
- ☛ Record keeping and monitoring -- mustn't be too onerous
- ☛ Uncertainty about future PAL levels
- ☛ Minor source permitting requirements
- ☛ Level playing field (less controlled vs. well controlled sources)

Industry concerns about DNR proposal

☞ Declining BACT

- Requiring the equivalent of BACT for all significant sources at end of PAL term can be prohibitively expensive and a large disincentive
- On-going decline in BACT, as PALs are renewed, is a moving target (uncertainty)

☞ Minor source permit provision

- Good but not worth declining BACT

☞ Inconsistent with other states

DNR concerns about PALs

☞ Areas with air quality concerns:

- Nonattainment areas
- Areas where increment is almost used up
- Areas significantly contributing to ozone NAA
- Areas “at risk” of becoming NAA

☞ Grand-fathered sources

- Equity among sources
- Intent of NSR: achieve reductions w/ investments

Areas of Air Quality Concern

- ☞ Declining PAL in areas with air quality concerns
- ☞ Capped PAL in other areas

PAL Options for Areas with Air Quality Concerns

- ☞ Percent reduction over time
 - Percentage could vary with severity of air quality concern
- ☞ Target level of control
 - RACT, BACT, LAER or other
- ☞ Case-by-case determinations
 - Based on existing control levels and/or air quality

“Once in, always in” concern

- ☛ BACT/LAER or Clean Unit “Off-Ramp”
for individual units

- ☛ PAL cap for remaining units

“Equity among sources” concern

☞ Tiered PALs based on level of controls

- Well controlled sources at baseline actual + significance threshold
- Less well controlled sources at reduced level
 - Reduced level could vary by attainment status